

# DyKEMA



## CORPORATE COMPLIANCE PROGRAMS

California | Illinois | Michigan | Texas | Washington, D.C.

[www.dykema.com](http://www.dykema.com)

## What Is a Compliance Program?

Most successful organizations use quality control processes to maintain and increase their competitive edge. A compliance program is another form of quality control. It is the “how” of a company’s efforts to meet legal and ethical standards. Effective compliance programs include both preventive activities, designed to keep violations from occurring, and detection activities, designed to discover and respond to violations that occur despite preventive efforts. A compliance program can cover a company’s entire portfolio of legal duties, or it can be tailored to address a single category of obligations—workplace requirements, government lobbying obligations, or environmental duties, for example. In some sectors, such as investment advising, compliance programs are mandatory. In most industries, they are entirely discretionary.

## What Are the Benefits of a Compliance Program?

A corporate-wide compliance program allows the company’s leaders to answer a question essential to sound governance—a question that diligent CEOs and audit committee chairs should regularly ask: “How do we know this organization does a good job of following the law?” An effective compliance program provides hard data to answer that question. Without a solid compliance program, the honest answer is likely to be, “We really don’t know.”

In addition to providing a foundation for fiduciary oversight, an effective compliance program assures continuous improvement in the critically important function of meeting legal and ethical obligations. It does this by applying proven principles of quality assurance. When these measures are rigorously implemented, violations can be made less likely, just as the frequency of production defects falls when quality assurance measures are applied to a company’s core business functions.

A bonus for companies that install effective compliance programs comes when a violation occurs, which can happen despite all best efforts. Enforcement officials looking into a company’s conduct routinely scrutinize its compliance efforts. In exercising their discretion, investigators and prosecutors are likely to look favorably on a strong compliance program as evidence of the company’s seriousness of purpose in trying to avoid legal violations. In contrast, companies without an effective compliance program can expect much sterner treatment.

## The Dykema Solution

Dykema is uniquely positioned to help. Our attorneys bring a wealth of compliance-related experience to the challenges our clients face. We can help companies create a new compliance program or improve an existing one. We have counseled executives and directors in dozens of industries on the full array of industry-specific compliance duties.

Our services include:

- ▶ Assessing the effectiveness of a company’s existing approach to compliance, applying the standards of federal law to the assessment.
- ▶ Designing compliance programs focusing on specific categories of a company’s legal obligations, such as employment law, privacy, the Foreign Corrupt Practices Act, government lobbying rules, or export controls.
- ▶ Assessing the legal risks facing a company.
- ▶ Training boards of directors about their duties in overseeing compliance and ethics programs.
- ▶ Designing employee training programs.
- ▶ Reviewing industry-specific compliance programs, such as financial services, health care services, investment advising and government contracting.
- ▶ Conducting investigations of alleged employee or officer misconduct.

We deliver exceptional client service and uncommon value. We welcome the opportunity to assist you.

Please visit us at [www.dykema.com](http://www.dykema.com)

## Questions a Well Run Company Should Be Able to Answer

Can your company's executive leadership give confident answers to tough questions like these? If not, you need a more effective compliance and ethics program.

- ▶ From the audit committee chair: "Can you demonstrate that this company does a good job meeting its legal duties?"
- ▶ From an institutional shareholder: "Does this company take its legal and ethical obligations as seriously as it takes its core business functions?"
- ▶ From a government official investigating a potential legal violation: "May I see your employee compliance training records?"

No company can ever completely eliminate the risk that an employee somewhere in the organization will violate a legal obligation. But a good compliance program can move your company closer to that goal, just as surely as a good quality assurance program can move you closer to the goal of zero defects in your products or services.

If you haven't already established a compliance program, have you considered bringing in a knowledgeable team to help you create one?

If you already have a compliance program, have you considered having a knowledgeable team review it for you, with the objective of making it even better?

## The Dykema Team Brings Experience

- ▶ Designing and operating corporate compliance and ethics processes meeting the standards of federal law
- ▶ Counseling clients about industry-specific compliance obligations in a full range of business sectors:
  - Government and defense contracting
  - Banking and financial services
  - Health care services
  - Pharmaceuticals
  - Motor vehicle manufacturing
  - Insurance
  - Biotechnology and life sciences
  - Sports and entertainment
- ▶ Helping clients meet risk-specific compliance obligations dealing with:
  - Employment practices
  - Privacy
  - Government relations
  - The Foreign Corrupt Practices Act
  - Export controls
  - Corporate governance
  - Antitrust
  - Taxation
  - Insider trading
  - Franchising
  - Health and safety
  - Environmental
- ▶ Conducting internal investigations to address suspected violations in a wide variety of regulatory areas, including:
  - Anti-trust
  - Employee benefits
  - Environmental
  - Securities
  - Election campaign finance
- ▶ Counseling boards of directors about their compliance oversight obligations

# DyKEMA

---

California | Illinois | Michigan | Texas | Washington, D.C.

---

[www.dykema.com](http://www.dykema.com)